

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
Docket No. 2013-13-A

In Re: Application of Chem-Nuclear Systems,)	SETTLEMENT
LLC, a Subsidiary of Energy Solutions)	AGREEMENT
Company, Adjustment in the Levels of)	
Allowable Costs and for Identification of)	(FOR FISCAL YEAR 2013-2014)
<u>Costs.</u>)	

This Settlement Agreement is made by and between Chem-Nuclear Systems, LLC, a subsidiary of Energy Solutions Company (“Chem-Nuclear” or “Company”) and the South Carolina Office of Regulatory Staff (“ORS”) (collectively referred to as the “Parties”) with respect to the Application and Amended Application of Chem-Nuclear Systems, LLC, for Fiscal Year 2013-2014 (“Amended Application”) pending before the Public Service Commission of South Carolina (“Commission”) in Docket No. 2013-13-A.

WHEREAS, the Company filed an Application, dated September 27, 2013, (“Application”) in this docket by which Chem-Nuclear requested the Commission to identify certain “allowable costs” for the Company’s fiscal years 2012-2013 and 2013-2014, in accordance with the provisions of S.C. Code Ann. § 48-46-10, et seq. (Rev. 2008 & Supp. 2013), and with the Commission’s rules and regulations; and

WHEREAS, ORS conducted an examination of the allowable costs to be identified and recovered in Chem-Nuclear’s Application; and

WHEREAS, Chem-Nuclear filed an Amended Application, dated March 27, 2014, in this docket in accordance with S.C. Code Ann. § 48-46-40(B)(4) (Rev. 2008) and the Commission’s rules and regulations; and

WHEREAS, the Company's Amended Application resolved the concerns of the ORS pursuant to its examination, with the exception of the Fiscal Year 2013-2014 Variable Costs Per Slit Trench Shipment Offload (Amended Exhibit C to Amended Application). The Parties agree that as to this proposed cost, the Amended Application figure of \$83,334.35 be replaced with the figure \$40,000.00; and

WHEREAS, on March 27, 2014, the Prefiled Direct Testimony of James D. Harris was filed on behalf of Chem-Nuclear reflecting the position of the Company as contained in its Amended Application; and

WHEREAS, the Report of ORS Auditor, John D. Powers, of the review and examination of Chem-Nuclear's Application and Amended Application, dated April 1, 2014 ("Report"), is attached to this Agreement and incorporated by reference ("Attachment A"); and

WHEREAS such Report summarizes the Company's Amended Application and concurs with the request of the Company as contained in the Amended Application, with the exception of the previously noted proposed Slit Trench Operations for Fiscal Year 2013-2014 which the Parties agree to Amend from \$83,334.35 to \$40,000.00; and

WHEREAS, the Parties to this Agreement believe that it is in their best interests and those of the State of South Carolina to enter into a Settlement Agreement relating to this matter in order to avoid the additional expense which the litigation of their positions would occasion in this proceeding.

WHEREFORE, the Parties to this Agreement enter into it on the following terms:

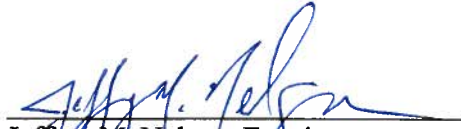
1. The Parties agree to the Actual Costs of Fiscal Year 2012-2013, including fixed costs, irregular costs, variable labor and non-labor costs and vault costs as specified in Chem-Nuclear's Amended Application.
2. The Parties agree on the calculation of projected costs for Fiscal Year 2013-2014

as specified in Chem-Nuclear's Amended Application, with the exception of Slit Trench Operations for which the Parties agree to substitute the figure \$40,000.00 as opposed to the \$83,334.35 figure contained in the Amended Application.

3. The Parties agree that the Prefiled Direct Testimony of James D. Harris accurately reflects the agreed upon positions of the Company and ORS in this matter; with the notable exception of proposed Slit Trench Operation Costs for Fiscal Year 2013-2014.
4. Chem-Nuclear agrees that James D. Harris will present testimony at the hearing in this matter consistent with his prefiled direct testimony, the Amended Application and the terms of this Settlement Agreement.
5. Upon execution of this Settlement Agreement, ORS will file an original of this Settlement Agreement with the Commission and serve a copy of it upon all parties of record in Commission Docket No. 2012-357-A.
6. The Parties agree that by signing this Settlement Agreement, it will not constrain, inhibit or impair in any way their arguments or positions they may choose to take in future proceedings. If the Commission should decline to approve the Settlement Agreement in its entirety, then any or all of the Parties may withdraw from the Settlement Agreement without prejudice.
7. This Settlement Agreement shall be interpreted according to South Carolina law.
8. The Parties acknowledge their consent and agreement to the terms of this Settlement Agreement by authorizing their respective counsel to affix his or her signature to this document where indicated below. Counsel's signature constitutes a representation that his or her client has authorized the execution of this Settlement Agreement. Facsimile signatures and email signatures shall be as

effective as original signatures. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

Representing and binding the Office of Regulatory Staff:



Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201
Phone: (803) 737-0823
Fax: (803) 737-0895
Email: jnelson@regstaff.sc.gov

April 8th, 2014

Representing and binding Chem-Nuclear Systems, LLC, a Division of Duratek, Inc.:

A handwritten signature in blue ink, appearing to read "J. David Black", followed by a horizontal line.

Sara S. Rogers, Esquire
J. David Black, Esquire
Nexsen Pruet, LLC
Post Office Box 2426
Columbia, SC 29202
Phone: (803) 771-8900
Fax: (803) 253-8277
Email: srogers@nexsenpruet.com
dblack@nexsenpruet.com

April 8, 2014

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2013-13-A

IN RE: Application of Chem-Nuclear Systems, LLC, a)
 Subsidiary of Energy Solutions Company,) **CERTIFICATE OF**
 Adjustment in the Levels of Allowable Costs and) **SERVICE**
 for Identification of Costs.)

This is to certify that I, Karen D. Elliott, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Frank Potts, Esquire
South Carolina Budget and Control Board
Post Office Box 11608
Columbia, SC, 29211

The Honorable Alan Wilson, Attorney General
Attorney General's Office
c/o Parkin Hunter
P.O. Box 11549
Columbia, SC, 29211

Jacquelyn S. Dickman, Esquire
SCDHEC
2600 Bull Street
Columbia, SC, 29201

Frank R. Ellerbe, III, Esquire
Bonnie D. Shealy, Esquire
Robinson, McFadden & Moore, P.C.
Post Office Box 944
Columbia, SC, 29202-0944

J. David Black, Esquire
Sara S. Rogers, Esquire
Nexsen Pruet, LLC
Post Office Box 2426
Columbia, SC, 29202


Karen D. Elliott

April 8, 2014
Columbia, South Carolina